

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 414 - SB 607

March 15, 2019

SUMMARY OF BILL: Requires local governments to compile data regarding purchases from and contracts with businesses owned by women and minorities and make such data available upon request.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – A precise mandatory recurring increase in local government expenditures cannot reasonably be determined.*

Assumptions:

- There are multiple statutes governing how counties and cities purchase goods, with exact procedures dependent upon how such local governments are established, the level of cost for purchases, and the type of services being procured. The extent of local government purchases and contracts in any given year is unknown.
- Tennessee Code Annotated § 12-4-116 provides that local governments may establish an electronic method for receiving bids for contracts; however, it is unknown how many local governments have established such systems and if such systems would allow for distinguishing business ownership.
- It is assumed that some local government purchasing departments will require additional staffing or software in order to compile the data required; however, staffing and software requirements would vary between local governments.
- Due to multiple unknown factors, such as the number of purchases made by each local government annually, the number of contracts entered into by each local government, if such local government currently requests to know ownership information of each business from which purchases are made or contracts are entered, the extent of any system utilized by local governments for tracking purchase and contracts, and the extent of staffing within each purchasing department, a precise mandatory recurring increase in local government expenditures cannot reasonably be determined.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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